

## REMARKS

In the Final Office Action dated October 12, 2005, the Examiner rejected claims 1, 3-10, 32, 33, 36, 37, 39, 44-49, and 52 under 35 U.S.C. § 103(a) as being unpatentable over Brockman (U.S. Patent No 5,884,300) in view of Mahon et al. ("Mahon") (U.S. Patent No. 6,785,361); rejected claims 11, 42, 43, 50, and 51 under 35 U.S.C. § 103(a) as being unpatentable over Brockman in view of *Official Notice*; and rejected claims 34, 35, 40, and 41 under 35 U.S.C. § 103(a) as being unpatentable over Brockman in view of Hoblit et al. ("Hoblit") (U.S. Patent Application No. US2002/0072977).

Applicant wishes to thank Examiner for speaking with Applicant's representatives during an interview on January 9, 2006. The remarks presented below are consistent with the topics discussed during the interview.

Applicant respectfully traverses the rejection of claims 1, 3-10, 32, 33, 36, 37, 39, 44-49, and 52 as being unpatentable over Brockman in view of Mahon because a *prima facie* case of obviousness has not been established. As M.P.E.P. § 2142 states, "[t]he examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness." To establish *prima facie* obviousness under 35 U.S.C. § 103(a), three requirements must be met. "First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations." M.P.E.P. § 2143 (8th ed. 2005). Moreover, each of these requirements must "be found in the

prior art, and not be based on applicant's disclosure." M.P.E.P. § 2143 (8th ed. 2005).

In this case, the requirements for *prima facie* obviousness are lacking, as discussed below.

Independent claim 1 recites a combination of steps including, *inter alia*, "establishing a plan . . . , the plan including a change to current inventory practices including one or more of adding an inventory process, modifying an inventory process, or deleting an inventory process; and implementing the change to correct the at least one discrepancy." Brockman does not teach at least these claim steps. Indeed, the Examiner admits that Brockman fails to disclose adding, modifying, or deleting an inventory process. See Office Action at page 4. In an attempt to overcome this deficiency of Brockman, the Examiner has claimed that one skilled in the art would have been motivated to modify Brockman with process changes as taught by Mahon. See Office Action at page 4 (citing Mahon at column 3, line 61-column 4, line 20).

The claim elements mentioned above are clearly related to a method of improving records of inventory at a facility. Indeed, these elements all include language (e.g., adding an inventory process, modifying an inventory process, deleting an inventory process) specific to inventory records. However Mahon is not related to the field of inventory management. Instead, Mahon discloses a system and method for ensuring the quality of a performance measurement in a telecommunications network. See Mahon, column 3, lines 20-25. Specifically, Mahon discloses processes to ensure the overall quality and integrity of a performance measurement process ("PMP") wherein the PMP comprises a process for compiling, merging and summarizing ordering, provisioning and other data related to the provision of telecommunication

services. See Mahon, column 5, lines 30-39 and column 7, lines 12-16. None of these practices are related to inventory management. Thus, it is unclear how Mahon, which is related to ensuring the quality of a performance measurement in a telecommunications network would apply to or modify the inventory management system of Brockman.

Furthermore, determinations of obviousness must be supported by evidence on the record. See In re Zurko, 258 F.3d 1379, 1386 (Fed. Cir. 2001), 59 USPQ2d 1693, 1696-98 (finding that the factual determinations central to the issue of patentability, including conclusions of obviousness by the Board, must be supported by “substantial evidence”). The desire to combine or modify references must be proved with “substantial evidence” that is a result of a “thorough and searching” factual inquiry. See In re Lee, 277 F.3d 1338, 1343-1344 (Fed. Cir. 2002), 61 USPQ2d 1430, 1433 (quoting McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1351-52). Additionally, the Federal Circuit has clearly stated that the evidence of a motivation or suggestion to modify a reference must be “clear and particular.” In re Dembicziak, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999).

In this case, the Examiner has not shown by “clear and particular” evidence that a skilled artisan considering Mahon, and not having the benefit of Applicants’ disclosure, would have modified Brockman in a manner resulting in the method defined by claim 1. The Examiner’s assertion that “[i]t would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Brockman with process changes as taught by Mahon, because process changes are tools used by management to correct problems and reduce potential errors” is unsupported and does not show that a skilled artisan would modify Brockman as alleged. From what Applicants can discern, the

method in Mahon does not even mention “establishing a plan . . . , the plan including a change to current inventory practices including one or more of adding an inventory process, modifying an inventory process, or deleting an inventory process; and implementing the change to correct the at least one discrepancy” (emphases added), as required by claim 1.

As M.P.E.P. § 2143.01 makes clear, “[t]he mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination” (citations omitted). In this case, the Examiner has not shown that Mahon “suggests the desirability” of “establishing a plan . . . , the plan including a change to current inventory practices including one or more of adding an inventory process, modifying an inventory process, or deleting an inventory process; and implementing the change to correct the at least one discrepancy” (emphasis added), as required by claim 1. Applicant submits that the Examiner is impermissibly using teachings of the present application in hindsight to suggest that claim limitations of the present application would be obvious to one having ordinary skill in the art in view of Mahon. Such use of impermissible hindsight in making a *prima facie* case of obviousness is prohibited. See M.P.E.P. § 2142. Therefore, Applicant submits that there is no motivation for one skilled in the art of inventory management to use the teachings of process changes allegedly suggested or disclosed in Mahon to modify Brockman so as to render claim 1 obvious.

Although independent claim 37 has a scope different from claim 1, claim 37 is a method claim including recitations similar to the above-mentioned recitations of claim 1, and is therefore allowable, for at least the reasons discussed above. For example,

claim 37 includes a combination of steps including, *inter alia*, “changing an inventory practice in response to said record discrepancy and said analysis, the change including one or more of adding an inventory process, modifying an inventory process, or deleting an inventory process.” As discussed above, there is no motivation for one skilled in the art of inventory management to use the teachings of process changes allegedly suggested or disclosed in Mahon to modify Brockman so as to render these claim recitations obvious. Therefore, the Examiner has failed to establish a *prima facie* case of obviousness with respect to claim 37. Independent claim 52 includes steps similar to claims 1 and 37, and is therefore allowable for at least the reasons discussed.

For at least these reasons, *prima facie* obviousness has not been established with respect to claims 1, 37, and 52. The rejection of claims 1, 37, and 52 under 35 U.S.C. § 103(a) should therefore be withdrawn. The § 103(a) rejection of dependent claims 3-10, 32, 33, 36, 39, and 44-49 should be withdrawn as well, for at least the same reasons as those presented above in connection with base claims 1 and 37.

Applicant respectfully traverses the rejection of claims 11, 42, 43, 50, and 51 under 35 U.S.C. 103(a) as being unpatentable over Brockman in view of *Official Notice*. Claim 11 ultimately depends from and adds additional features to independent claim 1. Moreover, Bragg, relied on for its alleged disclosure of the knowledge to extrapolate total inventory data based on a predetermine sample (see Office Action at page 4, ¶ 5) fails to cure the deficiency of Brockman and Mahon. Accordingly, claim 11 is allowable for at least the reasons set forth above.

Claim 42 ultimately depends from and adds additional features to independent claim 37. Moreover, Dobler, relied on for its alleged disclosure of the knowledge to

relocate problem prone parts (see Office Action, at page 5), fails to cure the deficiency of Brockman and Mahon. Accordingly, claim 42 is allowable for at least the reasons set forth above.

Claim 43 depends from and adds additional features to claim 1. Moreover, Bragg, relied on for its alleged disclosure of the knowledge to identify and recover lost inventory is response to a discrepancy (see Office Action, at page 5), fails to cure the deficiency of Brockman and Mahon. Accordingly, claim 43 is allowable for at least the reasons set forth above.

Claims 50 and 51 ultimately depend from and add additional features to claim 1. Moreover, Takao, relied on for its alleged disclosure of measuring customer credibility (see Office Action, at page 6), fails to cure the deficiency of Brockman and Mahon. Accordingly, claims 50 and 51 are allowable for at least the reasons set forth above.

Applicant respectfully traverses the rejection of claims 34, 35, 40, and 41 under 35 U.S.C. § 103(a) as being unpatentable over Brockman in view of Hoblit. Claims 34, 35, 40, and 41 ultimately depend from one of claims 1 and 37 and add additional features to claims 1 and 37. Moreover, Hoblit, relied on for its alleged disclosure of inventory analysis based on theft prone or problem prone inventory fails to cure the deficiency of Brockman and Mahon. Accordingly, claims 34, 35, 40, and 41 are allowable for at least the reasons set forth above.

Applicant respectfully requests that this Reply under 37 C.F.R. § 1.116 be entered by the Examiner, placing claims 1, 3-11, 32-37, and 39-52 in condition for allowance.

Finally, Applicant submits that the entry of the Reply would place the application in better form for appeal, should the Examiner dispute the patentability of the pending claims.

In view of the foregoing remarks, Applicant submits that this claimed invention is neither anticipated nor rendered obvious in view of the prior art references cited against this application. Applicant therefore requests the entry of this Reply, the withdrawal of the finality of the rejection, the Examiner's reconsideration and reexamination of the application, and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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